

Message Text

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ACTION NEA-10

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FM AMEMBASSY KATHMANDU

TO SECSTATE WASHDC 3857

INFO AMCONSUL HONG KONG

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USLO PEKING

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E.O. 11652: N/A

TAGS: PFOR EAID CH NP

SUBJECT: CHINESE AID PROJECTS

1. NEW MINISTER OF STATE FOR COMMERCE AND INDUSTRY

DR. HARKA GURUNG ON DECEMBER 31 LAID FOUNDATION STONE OF TEXTILE MILL BEING BUILT IN HETAURA WITH CHINESE ASSISTANCE. UPON COMPLETION FACTORY WILL PRDUCUT 10 MILLION METERS OF COTTON CLOTH ANNUALLY AND IS EXPECTED TO CONSUME NEARLY 2,500 TONS OF RAW COTTON PER YEAR. COTTON MILL IS BEING BUILT BY CHINESE IN CONJUNCTION WITH HMG'S FIFTH FIVE-YEAR PLAN GOAL TO DEVELOP INDIGENOUS COTTON INDUSTRY IN NEIGHBO4ING

TERAI AREA. ALTHOUGH THERE ARE NO FIGURES YET AVAILABLE ON TOTAL CHINESE FINANCIAL CONTRIBUTION, IT IS CLEARLY FAIRLY LARGE-SCALE PROJECT AND IS EXPECTED TO BE COMPLETED BY 1979.

2. START ON CHINESE TEXTILE MILL IS LATEST PROJECT TO BE UNDERTAKEN BY PRC AND PRESUMABLY CLEARS THE WAY FOR IMPL-
MENTATION OF POKHARA-SURKHET ROAD PROJECT, AGREEMENT FOR WHICH WAS REACHED IN FEBRUARY 1975. ECONOMIC VIABILITY OF MILL,
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HOWEVER, REMAINS VERY MUCH IN DOUBT, SINCE ACCORDING TO AT

LEAST ONE UN ADVISOR, NEPAL'S COTTON GROWING PROSPECTS ARE LIMITED AND SUFFICIENT QUANTITIES OF RAW COTTON WILL PROBABLY NOT BE AVAILABLE EVEN BY 1979.

3. CHINESE TROLLEY BUS SYSTEM BETWEEN KATHMANDU AND BHAKTAPUR WAS OFFICIALLY INAUGURATED DECEMBER 27 BY PRIME MINISTER DR. TULSI GIRI. THE PROJECT HAD BEEN CONSIDERABLY DELAYED AND HAD ORIGINALLY BEEN DESIGNATED TO BE OPENED IN FEBRUARY 1975 AT TIME OF KING'S CORONATION. INTERESTINGLY ENOUGH, INAUGURATION COINCIDED WITH OPENING OF U.S.- ASSISTED FAMILY PLANNING CENTER BY HER MAJESTY THE QUEEN. COVERAGE OF BOTH STORIES IN OFFICIAL PRESS (RISING NEPAL AND GORKHAPATRA) GAVE PROMINENT PLAY TO QUEEN'S ROLE, AS WELL AS THAT OF AMBASSADOR CARGO, IN DEDICATION CEREMONY. COVERAGE OF CHINESE PROJECT, ON THE OTHER HAND, WAS RELEGATED TO CONSIDERABLY SMALLER STORY WITHOUT PHOTOGRAPHS.

4. IN ANOTHER INTERESTING SIDELIGHT ON NEPAL'S FOREIGN POLICY PRIORITIES, RISING NEPAL JOURNALIST DREW DCM'S ATTENTION TO COVERAGE GIVEN CONGRATULATORY MESSAGES TO KING ON OCCASION OF HIS BIRTHDAY THIS YEAR. UNLIKE PREVIOUS YEARS IN WHICH MESSAGES PRINTED IN RANDOM PATTERN, BOTH RISING NEPAL AND GORKHAPATRA PLACED INDIAN MESSAGE FIRST, FOLLOWED BY CHINESE, AMERICAN, BRITISH AND RUSSIAN. ACCORDING TO JOURNALIST THIS PATTERN WAS DICTATED BY THE PALACE, PRESUMABLY IN ORDER TO ASSURE INDIA OF ITS PREEMINENT POSITION IN HMG'S CURRENT POLICY.

CARGO

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